



The Pensioner: In the Moment

Welcome to the digital MPERS newsletter! *The Pensioner: In the Moment* contains news, updates, and important information for retirees of the Missouri Department of Transportation, the Missouri State Highway Patrol, and MPERS.

2021 Cost-Of-Living Adjustment (COLA) Announced



Retirees and benefit recipients are eligible to receive a COLA every year.

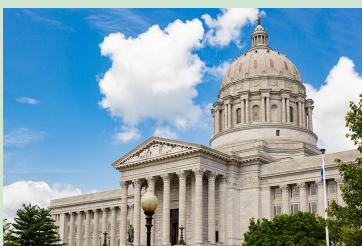
Closed plan members who were hired prior to August 28, 1997, and have yet to meet their COLA cap will receive a 4% COLA. If the COLA cap has already been met, their COLA will be 0.987%.

Closed Plan members who were hired on or after August 28, 1997, Year 2000 Plan members, and 2011 Tier members will receive a 0.987% COLA.

To learn more about COLA calculations and the timing of receipt of COLAs on your monthly benefit, please visit the [Cost-of-Living-Adjustments page](#) on our website or view the short video below:



2021 Legislation Introduced



House Bill 701 is the Missouri State Employees' Retirement System's and MPERS' cleanup bill. This bill, if enacted, will correct errors and references, as well as clarify confusing statutory language.

Senate Bill 238, if enacted, would change MPERS' board makeup. The proposed bill reduces the number of highway commissioners on the board from three to one and would add a Governor-appointed trustee with institutional investment experience.

In addition to providing you with updates during the session, we will update our website at the end of the legislative session to include any bills that pertain to MPERS business. If you would like to follow the progress of these bills, please visit the [Joint Committee on Public Employee Retirement](#)

Long-Term Goals, Immediate Benefits

MPERS' retirement benefits are funded by employer contributions, employee contributions, and investment earnings. Investing is a tool that is commonly used to aid in pension plan funding and it is important to understand that most plans are long-term investors.



The fund's investment returns can vary from year to year, but over longer periods are the largest funding source for MPERS. These returns can vary based upon the asset allocation of the portfolio, market performance, and the talent of the professionals managing the funds.

Even though MPERS' investment staff pay close attention to the day-to-day investment returns and what is happening in the markets, they are more focused on long-term returns. For example, if you look at MPERS' investment returns as of November 2020, the three-month return is 5.54%, which is below the Board's assumed 7% rate-of-return benchmark. However, the 10-year return is 8.58%, which is above the assumed rate of return, and much more meaningful to the greater (and longer-term) investment picture.

MPERS' long-term goal is to achieve the assumed 7% rate of return. The Board reviews the asset allocation annually to ensure it remains consistent with the return expectations of the plan.

Do Public Pensions Benefit Missouri?

Did you know that Missouri has five large public pension plans? These plans have a positive and significant impact on the state of Missouri's economy.

According to the National Institute on Retirement Security, for each \$1 in state and local pension benefits paid to Missouri residents, \$1.50 is put back into the Missouri economy. That adds up to over \$1.3 billion in revenue for federal, state, and local governments!

To read more about how public pensions benefit the state of Missouri, check out the National Institute on Retirement Security's publication [*Pensionomics 2021: Measuring the Economic Impact of DB Pension Expenditures*](#).



New Divorce Legislation in Effect

Senate Substitute for Senate Committee Substitute for House Bills 1467 and 1934 was passed during the 2020 legislative session and affected the divorce provision in MPERS' statutes. Effective January 1, 2021, members who chose a joint and survivor payment option at retirement, then later divorced, can undo the survivor option as long as the requirements of the statute are met.

Previously, if a member chose a joint and survivor payment option at retirement and later divorced, the election could not be changed. If you have questions about the new provision, [please see our website for more information](#).



- **1099Rs** were mailed on January 19th. They are available in your [myMPERS](#) account if you need to print a copy.
- If you retired in 2020, you will receive a **W-2** from your former employer and a **1099R** from MPERS for tax reporting purposes. If you also opted to take **BackDROP**, you will get an additional **1099R** for each distribution of this lump sum.
- **Benefit Statements** are provided during the month in which you receive your **COLA**. If you are a **Closed Plan** member, that is October. Year 2000 and 2011 **Tier** members it is the anniversary month of your retirement or **BackDROP** date.

FEBRUARY

Upcoming Events

- 12 - Lincoln's Birthday, office open
- 15 - President's Day, office closed
- 26 - Board meeting
- 26 - Pay day for benefit recipients



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We value your feedback!
What would you like to see in ***The Pensioner: In the Moment?***
Send comments and suggestions to Julie.West@mpers.org.